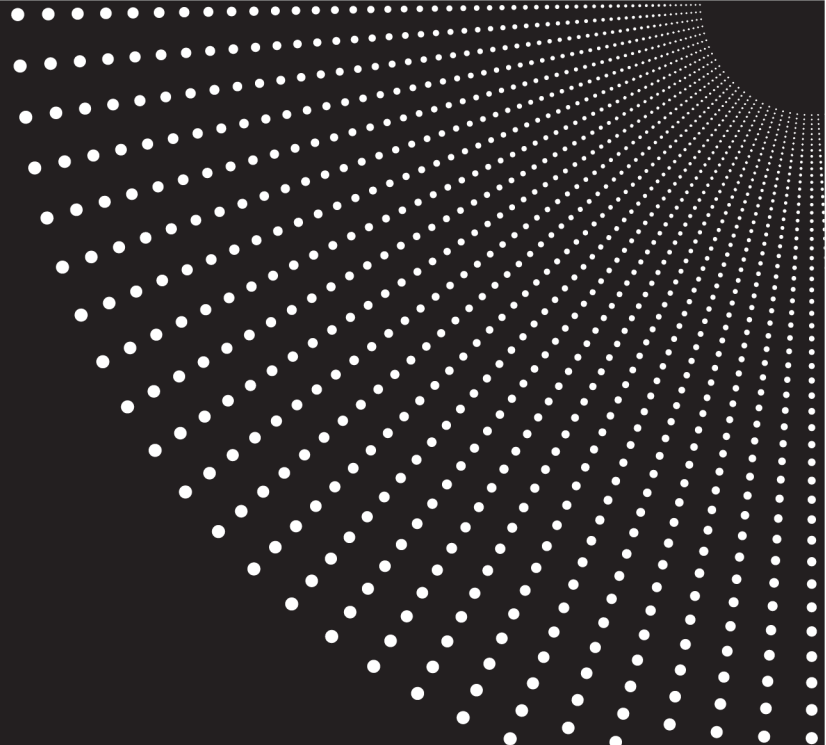




Macquarie Asset Management

Shareholder Rights Directive II Report

2023

1. Introduction

Macquarie Asset Management (“**MAM**”) is a global asset manager of more than \$US582 billion in assets globally¹, offering a diverse range of products including securities investment management, infrastructure and real asset management, and fund and equity-based structured products. MAM comprises two groups, Public Investments (equity, fixed income and multi asset solutions) and Private Markets (infrastructure, renewables, natural assets, real estate, private credit and asset finance). With a global team, we leverage our experience, diversity and culture of innovation to identify opportunities, mitigate risks and create long-term value for our clients and stakeholders.

MAM is part of Macquarie Group Limited (“**Macquarie**”), a global financial services group providing clients with asset management, finance, banking, advisory and risk and capital solutions across debt, equity, and commodities. Founded in 1969, Macquarie Group employs approximately 20,500² people in 34 markets and is listed on the Australian Securities Exchange.

This report contains disclosures required by Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 (“**Shareholder Rights Directive II**” or “**SRD II**”) and describes how MAM’s policies and procedures meet the requirements of the directive.

1.1 Entities in scope

This report has been written in accordance with the requirements of Article 3(g)(a) of SRD II which applies to each of the following MAM entities:

- Macquarie Investment Management Austria Kapitalanlage AG (“**MIMAK**”);
- Macquarie Investment Management Europe Limited (“**MIMEL**”); and
- Macquarie Investment Management Europe S.A. (“**MIME SA**”),

(together, the “**SRD II Entities**”).

2. Directive

SRD II is a set of rules to promote the exercise of shareholder voting rights at general meetings and improve the transparency of stewardship activities undertaken by European asset managers. The 2017 revision (Directive (EU) 2017/828) aims to encourage long-term shareholder engagement to ensure that decisions are made for the long-term stability of a company and take into account environmental and social issues.

Pursuant to Article 3(g)(a) of SRD II, MAM is required to issue annual disclosures outlining how our engagement policy has been implemented, including a general description of voting behaviour, an explanation of the most significant votes, and the use of the services of proxy advisors.

2.1 Reporting

Pursuant to SRD II, the SRD II Entities are required to publicly disclose an engagement policy that describes:

- how we integrate shareholder engagement across our investment strategies;
- how we monitor investee companies on relevant matters, including strategy, financial and non-financial performance and risk, capital structure, social and environmental impact, and corporate governance;
- conduct dialogues with investee companies;
- exercise voting rights and other rights attached to shares;
- cooperate with other shareholders; and
- communicate with relevant stakeholders of the investee companies and manage actual and potential conflicts of interests in relation to their engagement.

Our policies and stewardship reporting demonstrate how MAM meets the requirement of SRD II related to engagement with public companies and other parties involved in the investments lifecycle of our funds. MAM’s global engagement policy outlining our approach to fulfil these requirements can be found [here](#).

Engagement reporting is described under Principle 9 of MAM’s 2022 Stewardship Report which can be found [here](#).

¹ As at 31 March 2023.

² As at 31 March 2023. This figure includes staff employed in certain operationally segregated subsidiaries.

2.2 General description of voting behaviour

A general description of voting behaviour is described under Principle 12 of MAM's 2022 Stewardship Report which can be found [here](#).

Additional information on voting behaviour is also outlined under Section 6 and Section 7 of MAM's Global Engagement Policy which can be found [here](#).

2.3 Most significant votes

In 2021, MAM implemented a proactive proxy alert system which is applied across all SRD II Entities. Through this process, investment teams are alerted directly when an ESG or corporate strategic issue comes up for a proxy vote for a company which they hold in portfolios they manage on behalf of MAM's clients. MAM defines 'most significant vote' when the shareholder resolution relates to an issue listed in **Table 1** below.

To access MAM's proxy voting reporting on most significant votes, please click [here](#).

See **Appendix A** for a list of MAM's most significant votes.

Table 1: Most significant votes

ESG Issue	
Report on climate change	Renewable energy
Climate change action	Improve human rights standards or policies
GHG emissions	Report on sustainability
Human rights risk assessment	Energy efficiency
Board diversity	Publish two-degree scenario analysis
Gender pay gap	Anti-social proposal
Link executive pay to social criteria	
Corporate strategic issue	
Adopt or increase supermajority vote requirement for mergers	Approve reorganization/restructuring plan
Amend articles/bylaws/charter to remove anti-takeover provisions	Approve request for bankruptcy protection
Amend right to call special meeting	Approve sale of company assets
Approve acquisition or issue shares in connection acquisition	Approve special-purpose acquisition company transactions
Approve merger agreement	Approve spin-off agreement
Approve merger by absorption	Elect director (proxy contest-related)
Approve liquidation plan	Grant authority to board to implement anti-takeover measures during a takeover

2.4 Use of proxy advisors

MAM's use of the services of proxy advisors is described under Principle 12 of MAM's 2022 Stewardship Report which can be found [here](#).

3. Contacts

For any queries, please contact mimemea.institutionalaccounts@macquarie.com.

Appendix A – Most significant votes for 2022

Company	Meeting Date	Meeting Type	Country	Proposal Category	Proposal Code Description	Proposal	Management Recommendation	Vote Cast
ABB Ltd.	07-Sep-22	Extraordinary Shareholders	Switzerland	Strategic Transactions	Approve Spin-Off Agreement	Approve Spin-Off of Accelleron Industries AG	For	For
abrdn Plc	15-Mar-22	Special	United Kingdom	Strategic Transactions	Approve Acquisition OR Issue Shares in Connection with Acquisition	Approve Acquisition of Interactive Investor Group	For	For
Australia and New Zealand Banking Group Limited	15-Dec-22	Annual	Australia	Environmental	Report on Climate Change	Approve Climate Risk Safeguarding	Against	Against
AVEVA Group Plc	25-Nov-22	Special	United Kingdom	Strategic Transactions	Approve Sale of Company Assets	Approve Matters Relating to the Recommended Cash Acquisition of AVEVA Group plc by Ascot Acquisition Holdings Limited	For	Do Not Vote
Baxter International Inc.	03-May-22	Annual	USA	Takeover Related	Amend Right to Call Special Meeting	Reduce Ownership Threshold for Special Shareholder Meetings to 15%	For	For
Campbell Soup Company	30-Nov-22	Annual	USA	Environmental	Report on Climate Change	Assess and Report on the Company's Retirement Funds' Management of Systemic Climate Risk	Against	Against
Cigna Corporation	27-Apr-22	Annual	USA	Social	Gender Pay Gap	Report on Gender Pay Gap	Against	Against
Comcast Corporation	01-Jun-22	Annual	USA	Environmental	Report on Climate Change	Report on Retirement Plan Options Aligned with Company Climate Goals	Against	Against
Commonwealth Bank of Australia	12-Oct-22	Annual	Australia	Environmental	Report on Climate Change	Approve Climate Risk Safeguarding	Against	Against
ConocoPhillips	10-May-22	Annual	USA	Environmental	GHG Emissions	Report on GHG Emissions Reduction Targets	Against	For
Dollar Tree, Inc.	30-Jun-22	Annual	USA	Environmental	GHG Emissions	Report on GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal	Against	For
Duke Realty Corporation	28-Sep-22	Special	USA	Strategic Transactions	Approve Merger Agreement	Approve Merger Agreement	For	For
Enbridge Inc.	04-May-22	Annual	Canada	Environmental	GHG Emissions	Strengthen the Company's Net Zero Commitment with a Science-Based Net Zero Target	Against	Against
Honeywell International Inc.	25-Apr-22	Annual	USA	Environmental	Report on Climate Change	Report on Climate Lobbying	Against	For

KLA Corporation	02-Nov-22	Annual	USA	Environmental	GHG Emissions	Report on GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal	Against	For
Microsoft Corporation	13-Dec-22	Annual	USA	Environmental	Report on Climate Change	Assess and Report on the Company's Retirement Funds' Management of Systemic Climate Risk	Against	Against
National Australia Bank Limited	16-Dec-22	Annual	Australia	Environmental	Report on Climate Change	Approve Climate Risk Safeguarding	Against	Against
Prologis, Inc.	28-Sep-22	Special	USA	Strategic Transactions	Approve Acquisition OR Issue Shares in Connection with Acquisition	Issue Shares in Connection with Merger	For	For
The Walt Disney Company	09-Mar-22	Annual	USA	Social	Gender Pay Gap	Report on Gender/Racial Pay Gap	Against	For
VMware, Inc.	04-Nov-22	Special	USA	Strategic Transactions	Approve Merger Agreement	Approve Merger Agreement	For	For
Westpac Banking Corp.	14-Dec-22	Annual	Australia	Environmental	Report on Climate Change	Approve Climate Risk Safeguarding	Against	Against